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research and statistics note

Report No. 3
July 20, 1982

STATE AND LOCAL GOVERNMENT EMPLOYEES COVERED UNDER SOCIAL SECURITY*

This note presents the latest data available on Federal Social Security coverage provided to State and local government employees under the elective provisions of the Social Security Act. Data are shown on the extent of coverage, the characteristics of covered workers, and the extent of coverage terminations.

Extent of Coverage

On March 31, 1979, approximately 9¼ million, or about 71 percent, of the 13 million[1] State and local government jobs in the 50 States were covered by the Social Security (OASDI) program. Total State and local government employment has increased about 13 percent in the 5-year period since March 1974, but the percent of those jobs covered by the OASDI program has remained about the same (table 1).

Table 2 shows the number of State and local government jobs, the number of jobs covered, and the percent covered in each of the 50 States. In 15 States coverage is virtually complete, exceeding 95 percent. In only five States are less than 25 percent of the jobs covered.

Although over 9¼ million State and local government jobs are covered under Social Security, the number of persons employed in those jobs is slightly less—9.1 million. For nearly 8.9 million persons, the covered State and local government job is their **major** job; that

TABLE 1.—Social Security coverage of employees of State and local governments, 1951-81 (first calendar quarter)

(Numbers in thousands)

Year	All employees	Covered employees	Percent covered
1951	3,623	414	11
1952	4,053	622	15
1953	4,053	782	19
1954	4,145	944	23
1955	4,807	1,088	23
1956	5,004	1,418	28
1957	5,223	2,047	39
1958	5,558	3,021	54
1959	5,841	3,252	56
1960	6,037	3,561	59
1961	6,334	3,823	60
1962	6,668	4,278	64
1963	6,948	4,495	65
1964	7,278	4,860	67
1965	7,688	5,041	66
1966	8,292	5,528	67
1967	8,791	5,854	67
1968	9,185	6,261	68
1969	9,463	6,531	69
1970	9,824	6,876	70
1971	10,265	7,288	71
1972	10,693	7,699	72
1973	11,160	8,035	72
1974	11,481	8,266	72
1975	11,976	8,623	72
1976	12,178	8,768	72
1977	12,252	8,796	72
1978	12,889	9,230	72
1979	12,983	9,259	71
1980[1]	13,194	9,368	71
1981[1]	13,257	9,412	71

[1] Preliminary.

*By Bert Kestenbaum, Division of OASDI Statistics. Data as of Mar. 31, 1979 (coverage); 1977 (characteristics); and December 1981 (terminations).

[1] The total employment of 13 million is based on the 1977 Census of Governments' *Compendium of Public Employment*, table 10; the Bureau of the Census' *Public Employment in 19—* series; and the Bureau of Labor Statistics' monthly series on State and local government employment.

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is, it provides them with more earnings than any other job.

TABLE 2.—Estimates of Social Security coverage of State and local government jobs, March 1979

(Numbers in thousands)

State[1]	Number of jobs	Number of jobs covered	Percent covered
Total	12 983	9,259	71
1. California	1,442	562	39
2. New York	1,093	1,045	96
3. Texas	751	428	57
4. Illinois	589	237	40
5. Pennsylvania	570	570	100
6. Ohio	567	---	0
7. Michigan	551	505	92
8. Florida	498	427	86
9. New Jersey	422	422	100
10. North Carolina	357	323	90
11. Georgia	345	279	81
12. Massachusetts	337	---	0
13. Virginia	307	307	100
14. Indiana	293	263	90
15. Wisconsin	284	256	90
16. Missouri	279	198	71
17. Minnesota	258	182	71
18. Tennessee	253	207	82
19. Maryland	252	252	100
20. Louisiana	244	49	20
21. Washington	230	230	100
22. Alabama	218	218	100
23. Colorado	185	45	24
24. Kentucky	181	137	75
25. Iowa	180	175	98
26. Oklahoma	179	155	87
27. South Carolina	177	177	100
28. Connecticut	161	97	60
29. Kansas	161	146	90
30. Oregon	161	154	96
31. Arizona	157	147	93
32. Mississippi	150	148	99
33. Arkansas	119	114	96
34. Nebraska	111	106	95
35. West Virginia	109	104	96
36. New Mexico	87	71	81
37. Utah	86	78	91
38. Maine	72	23	32
39. Montana	67	48	71
40. Idaho	60	58	96
41. Hawaii	58	41	71
42. New Hampshire	53	47	89
43. Rhode Island	52	38	74
44. Nevada	49	3	6
45. South Dakota	47	42	90
46. North Dakota	44	38	85
47. Alaska	36	25	70
48. Wyoming	35	32	91
49. Delaware	34	22	63
50. Vermont	28	28	99

[1] States are ranked by number of jobs.

Characteristics of Covered Workers

Table 3 compares State and local government employees with other workers covered under Social Security in 1977 by selected demographic and economic characteristics. Among workers whose major OASDI-covered job was in non-Federal government, 54 percent are women compared with 42 percent among other wage and salary workers. By race, 15 percent are black.[2] Less than 20 percent are under age 25, compared with more than 30 percent for other wage and salary workers. The relatively older age of the

TABLE 3.—Percentage distribution of OASDI-covered wage and salary workers by selected characteristics, 1977

Characteristic	State and local government workers	Other workers
Sex:		
Total	100	100
Male	46	58
Female	54	42
Race:		
Total	100	100
Black	15	10
All others	85	90
Age:		
Total	100	100
Under 25	19	31
25-34	28	25
35-44	19	16
45-54	17	14
55 and over	16	13
Insured status, January 1, 1978:		
Total	100	100
Insured for survivor benefits	91	89
Not insured	9	11
Quarters of coverage in 1977:		
Total	100	100
None or one	10	11
Two or three	21	25
Four	69	64
Wage and salary earnings:		
Total	100	100
Less than $16,500	88	86
$16,500 or more	12	14

[2] Compare with U.S. Bureau of the Census, "Government Workers," *Census of Population: 1970*, PC(2)-7D. Some States with large numbers of noncovered employees have relatively small black populations, Massachusetts and California especially.

former group could account for their slightly higher rate of insuredness for survivor benefits—91 percent of State and local government workers versus 89 percent of other workers.

Sixty-nine percent of covered State and local government workers earned four quarters of coverage in 1977 with 12 percent earning the maximum taxable—$16,500. The corresponding percentages for other workers are 64 and 14, respectively.

Extent of Coverage Terminations Since 1959

State and local government employers may request termination of their Social Security coverage. The termination, which is irreversible, becomes effective 2 years after the request is made, unless the notice to terminate is canceled during the 2-year period.

As of December 31, 1981, 881 employers, including the Alaska State government, have terminated their Social Security coverage (table 4). Three-fourths of these employers are in only three States—California, Louisiana, and Texas. The total number of workers affected is approximately 170,000, or about 1.8 percent of the current covered State and local government work force.

Another 308 employers with some 149,000 workers have coverage terminations scheduled for 1982 and 1983. Three-fifths of them are located in California, 28 percent; Texas, 17 percent; and Georgia, 15 percent. Undoubtedly some of these terminations will not take place. During 1980 and 1981, 76 employers with 51,000 workers rescinded their notices prior to the effective date. As of December 1981, a total of 206 employers with 538,000 workers had rescinded notices of termination.

TABLE 4.—Number of OASDI coverage terminations by State and local government employers, December 1981

State	Employers	Workers
	Terminations effective, 1959-81	
Total	881	171,741
Alaska	11	15,424
California	316	49,230
Georgia	46	19,705
Louisiana	203	46,122
Texas	144	32,914
All others	161	8,346
	Terminations pending, 1982-83	
Total	308	148,628
Alaska	12	1,783
California	85	88,180
Georgia	45	29,742
Louisiana	18	933
Texas	53	11,022
All others	95	16,968

Data Sources

Extent of coverage.—The number of covered jobs was derived from the number of wage items reported by employers on form OAR-S3 for the first quarter of 1979. A relationship between employment over the quarter and employment as of a certain time was calculated for each State from the 1977 1-percent employee-employer statistical file.[3] This was done by determining the percent of first-quarter workers reported by the same employer in the second quarter or who reached the maximum taxable in the first quarter. This file contains all of an individual's covered wage and salary employment in 1977; thus it was also used to estimate the number of persons in covered State and local government jobs and the number for whom such employment was the major job.

Characteristics of covered workers.—Data presented in this section are from the 1977 1-percent sample discussed above. Also included is employment in Puerto Rico and the Virgin Islands.

Extent of coverage terminations since 1959.—Data on total numbers of workers affected by employer termination of Social Security coverage is based on the number of wage items reported by employers on form OAR-S3.

[3] For a description of the sample design and generalized tables of sampling error, see Robert H. Finch, Jr., *Sampling Variability in the 1-percent Continuous Work History Sample*, Washington, D.C., U.S. Govt. Print. Off., 1977.

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